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ABSTRACT

This paper stems from an evaluation of Turkey's first microcredit project aimed specifically at women, which was carried out with data derived through the Foundation for the Support of Women's Work (FFSW)'s Management Information System (which tracks credit users and repayment performance), application forms from women who applied for and received microcredit, records of meetings, and interviews with 27 of the 90 women who received microcredit. It tells the story of how FSWW created the idea of developing a microcredit project; describes project management, goals, and geographic areas involved in the project; profiles the project participants; and explains why the women need loans, what they spend them on, and how they cope with running a household and a business at the same time. Clear benefits from and barriers to the project are analyzed. The paper concludes by addressing these topics: some of the issues women face; outcomes for FSWW; what has been learned; what the FSWW experience can offer others in the field; and the future direction of FSWW in the field of microcredit. Appendices contain a list of project landmark dates and data tables. (KC)

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WORKING PAPERS IN

Early Childhood Development

27

Evaluation of the Self-Employment for Gecekondu Women Project

By Asu Aksoy, Sandra Schilen, Tulu Ulgen

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About the paper

This paper takes a very honest look at Turkey's first microcredit project aimed specifically at women. It tells the story of how the Foundation for the Support of Women's Work (FSWW) came up with the idea of developing a microcredit project. It then goes on to describe the reasons why the women need loans, what they spend them on, and how they cope with running a household and a business at the same time. Reality is not glossed over as the paper clearly shows the great difficulty that many of the women have in carrying out their income generating activities while fulfilling their commitments as wife and mother. Nevertheless, this experience in Turkey echoes those of other parts of the world where through microcredit programmes women have been able to improve the conditions of their households and communities. FSWW's underlying message is that, if given a little initial support, women living in poverty can themselves bring about a better quality of life for themselves, their families and their environment and thus give their children a better chance for the future.

About the authors

Asu Aksoy, Ph.D., worked with the Self-employment Project as an evaluator. She collected information, prepared interim reports and was involved in preparing the draft report.

Sandra Schilen, MA, as the global facilitator of Grassroots Women's Organisation Operating in Sisterhood (Groots International) worked on a voluntary basis with the Foundation for the Support of Women's Work (FSWW) for two months. FSWW is a member organisation of Groots International, and Sandra Schilen supported the Foundation in reviewing its programme tools in terms of participatory processes used in working with poor women. She also analysed the information collected and rewrote the final evaluation report.

Tulu Ulgen, MA, worked as a part time consultant with the Self-employment Project, and was involved in the collection of information and the writing of the draft report.

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September 2000

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Introduction

This paper is the result of an evaluation of the two year Self employment for Gecekondu women Project undertaken by the Foundation for the Support of Women's Work (FSWW) in Istanbul, Turkey, with financing from the Bernard van Leer Foundation and the Levi Strauss Company. A successful prior partnership between FSWW and the Bernard van Leer Foundation which focused upon another project the Gecekondu children Project, had established the basis for this microcredit pilot. The paper analyses the extent to which the Self employment for Gecekondu women Project achieved its objectives in terms of the credit component; its empowerment role; and the organisational capacity acquired while developing the Project. It is also an effort to share FSWW's initial experiences with interested bodies. The findings provide FSWW with useful information to improve its programme approach and services, and to reorient organisational priorities.

The basis of this paper

Various sets of data have been used in preparing this paper. One set of data was obtained through FSWW's Management Information System which tracks credit users and repayment performance (for further details please see page 24). Another set came from the application forms of the women who applied for and received microcredit. These gave information on their age, marital status, prior work history, education level, family size and background, household income, business idea, access to other funds and so on. Follow-up forms provided another set of data that generated information regarding repayment records, types and changes in the business activity of participants etc.

The records of weekly coordination meetings, monthly meetings with participants, quarterly and yearly activity reports of the Project, provided contextual information.

Face-to-face interviews with a selected group of microcredit users was the source of more detailed, qualitative information. Of 90 users 27, or approximately one third, were chosen for these interviews. Fieldwork coordinators and the consulting evaluator selected a representative sample of participants. Interviews were carried out in women's homes, shops, or in the childcare centres of FSWW. The focus of these interviews was to determine why participants applied for microcredit, how it was used, and whether the expected benefits were achieved. In turn, the information was interpreted comparatively to examine the relevance of business choice, individual performance, and initial household income in determining the relative success of participants' efforts. Interviews were also conducted with FSWW staff.

Note: Amounts are given in Turkish Lira. The conversion rate used is USD 1 = TRL 643,085.

Poverty and marginalisation: the role of microcredit in Turkey

The social and economic situation of women

According to official figures, 15 percent of Turkey's population lives in absolute poverty. As an official poverty line has not been determined, the State Institute of Statistics and other researchers use different indicators to establish a baseline and working definition. According to Erdogan's 1994 research, people earning less than USD 198 a month in 1994 (or under USD 2,400 per year) were considered poor (*Human Development Report, 1997*). In 1995, the Turkish per capita income was USD 2,780 and by definition those receiving less were economically disadvantaged. With annual inflation exceeding 90 percent, the late 1990s poverty threshold can be reasonably adjusted to an annual income of approximately USD 3,500.

As in the rest of the world, in Turkey the majority of the poor are women and children, living in both urban and rural areas. Insufficient employment opportunities; the lack of access to land ownership or other productive assets; low levels of education relative to available jobs; and a socio-cultural environment that limits their mobility, are among the root causes of women's poverty. According to a recent report from the United Nations Development Programme (UNDP) Anti-Poverty Strategies Initiative Programme in Turkey:

> *Statistics ... produced by national and international agencies, all unmistakably point to grave disparities between genders. The disparities are acute in the fields of income, labour and educational attainment.*
>
> ***(Executive Summary: Anti-poverty Strategies Dialogue Meeting 29-31 May 1997, UNDP Anti-Poverty Strategies Initiative Programme).***

Indeed, according to the 1996 official statistics, less than 15 percent of women in Turkish cities participated in the labour force either by working or looking for work. Within this small group, more than half who obtain work lack social security and are stuck in low skilled jobs. Among the active job seekers, 25 percent face continuous unemployment (Turkish State Ministry, the General Directorate of Women's Status and Problems, 1994).

Women participating in formally recognised economic activities face a number of barriers. There is a high proportion of illiterate workers (24 percent vs. 14 percent in the general population), and the majority (51 percent) have only attended primary school. Compared to men, women in urban areas are twice as likely to be unemployed (21 percent vs. 10 percent).

The Economist's Intelligence Unit's *Country Report* estimates that Turkey's unrecorded informal economy accounts for as much as 40 percent of officially recorded GNP. Women engage in an array of activities in this sector, including small scale household commodity

production, but the State Institute of Statistics is unable to measure their participation. Women's low rate of participation in the formal labour force, coupled with a lack of data on their involvement in the informal sector, create an impression that they are not economically active and that households don't require their earnings.

When other asset and economic indicators are examined, one sees that women have a twelfth of a man's chance to own property – men own 73 percent of all property not owned by corporations or the government compared to the less than nine percent owned by women. (Turkish State Ministry, The General Directorate of Women's Status and Problems, 1994). Access to bank credit shows a similar gender imbalance as at the Halk Bank (a public bank involved in small scale credit distribution) women account for just seven percent of its small business borrowers (Turkish State Ministry, The General Directorate of Women's Status and Problems, 1994).

As the UNDP report acknowledges,

As in all settings, the factors that account for the relative disadvantages of women in benefiting from economic, social and personal assets are multifarious. Cultural biases and the macro-economic policy environment can be cited as factors … However, to attempt to solve the gender disparity problem through policies designed for overall development or growth will not adequately serve the specific needs of women. ***(Ibid.)***

Most women in poor communities assume multiple tasks: as mother, as labourers, as bread winners, as housekeepers. Therefore policies designed to improve the lot of women, must take these multiplicity of tasks into account. And such policies must be designed in keeping with the specific needs of these women and in the light of their social circumstances that call for the many tasks which are placed on their shoulders.

The Self employment for Gecekondu women Project

Implementing agency

Recognising the situation of women, FSWW was established in 1986. It is a non-profit, non-governmental organisation working at the grassroots level. It aims to help poor women be economically active and to improve the quality of their lives and their communities. FSWW believes that grassroots women are experts in struggling with poverty and have the potential to build their own lives and their communities, and that the equal participation of women's social, economic and political decision making process can only be realised at community and local level. FSWW therefore works with grassroots women in solidarity as equal partners and seeks the cooperation of local governments and other actors in society. Thus, all FSWW projects are rooted in the synergy of the women and their communities.

Since its establishment, together with community women and local governments, FSWW has set

up four parent-run childcare centres in low-income districts of Istanbul. These also serve as organisation points and training facilities for the neighbourhood women to become active members of their communities. FSWW also operates two marketing facilities for women's handcrafts and natural food products, with rural-urban links.

Based on its experiences in working with women in childcare and education, FSWW sought to develop alternative models to expand childcare services integrated with other activities for the empowerment of mothers in low-income areas. These models emphasise the mobilisation of local resources, and the active participation of parents and the community for the support services that women need. They provide new models for the people in this country to organise themselves around common problems. Various guides and manuals are being prepared for the replication and mainstreaming of these models.

Management of the Self employment for Gecekondu women Project

Rooted in the synergy of the women, FSWW started the Self employment for Gecekondu women Project loaning USD 10,000 of funds in partnership with local governments, and using the facilities and contacts of its four parent run childcare centres in low income districts of Istanbul. The Project aimed to:

- help 100[1] women in low income districts of Istanbul start small businesses and increase their income by providing them credit, training and social support services;
- create a model, with all the components of a credit institution, which is especially tailored to the needs of poor women;
- increase public and governmental awareness of the importance of microcredit as a tool to combat poverty; and initiate partnerships among governmental agencies, local governments and the private sector in order to create a more favourable environment and leverage resources for microcredit.

The Project was originally planned for two years starting in November 1995. It was to end in October 1997, but because of the financial situation, it was able to extend by seven months.

The FSWW team that was initially responsible for the implementation of the Project included an executive director, a project coordinator, two field coordinators, a part-time accountant and a part-time evaluator. In the second year, two community women were hired as paraprofessionals to assist the field coordinators in promoting the Project at the community level and organising the women who sought credit. Consultants were frequently used to develop the credit schemes and address taxation issues. The members of the team have changed over the period of time, and the functional structure has evolved to suit the needs of the Project.

The FSW. Board supervised and monitored the Project activities through the involvement of an executive who coordinated weekly meetings

1. Later in the Project, due to the limited credit fund, this original number was decreased to 47. However, at the end of the Project duration the number of women who were provided with credit rose to 90 and the number of loans distributed were 91. The reasons for this increase are explained further in the paper.

and organised workshops where problems were discussed and strategic decisions were made. Significant organisational resources were invested in establishing relations with municipalities, the private sector, and donor agencies, and in creating international contacts for information and resources.

FSWW's office was used for the general management of the Project and the weekly coordination and strategic meetings. Training, promotional meetings, disbursement and collection of credit took place in FSWW's childcare centres and handcraft centre. The facilities of other NGOs and community women's homes were also used for selected activities.

The Project areas

The areas of Istanbul in which the Project was to work were initially Esenyurt, Kocasinan/ Bahçelievler, and Küçükçekmece. These were the areas where FSWW's Gecekondu children Project operated. However, at a later stage, other areas like Güngören and Pendik came on board – areas where FSWW already operated childcare centres or income generating units. Still later, the Project expanded to Maltepe, Kartal and Bakırkoy. Maltepe and Kartal were chosen because they are both very close to Pendik and also because FSWW would have the opportunity to cooperate with another women's association operating in these areas. Bakırkoy was chosen because of the availability of FSWW's Handcrafts Centre where women leave their products to be sold.

All these districts are culturally cosmopolitan, populated with immigrants from different parts of Turkey. The heavy migration means that these locations are not socially or economically homogenous and, except for Bakırköy, they are newly built areas. They reflect the problems of poverty, and the lack of services associated with unplanned city development.

Map: FSWW's areas of operation in Istanbulare, coloured in dark blue.

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The profiles and voices of participating women

During the 18 months (following the 14 month planning process) that FSWW ran the programme, approximately 150 women from these areas received information and training on how to develop a business. Among these, 90 women obtained credit (practically double the Project target of 47 credit recipients during January 1997 to June 1998).

To appreciate how microcredit benefits women in the socio-economic situations that dominate the Project areas, it is useful to know some of their characteristics and circumstances (See Table 1 and annexed Table A for details). All of the participating women were economically disadvantaged: 70 percent were at or below the poverty line, the remainder were slightly above, though were vulnerable to seasonal and other fluctuations in their monthly income that could quickly reduce their situations. A majority were educationally disadvantaged as well: approximately half had only completed primary education, and less than a quarter had finished secondary school.

Most women had prior income earning experience, working for wages at textile workshops, as seamstresses, sales clerks, shop keepers, secretaries or working at home to produce goods for sale. Participants were clustered in their mid-thirties and early forties and had encountered numerous difficulties in re-entering the formal job market after they'd raised their children. Nevertheless, more than a third had found ways to contribute earnings to the household income before they joined the microcredit programme. As a couple of women describe in their own voices:

'I had this idea of working for years anyway. I always thought of opening and managing a store. I wanted to own my own business. Later on I converted the front part of our living room into a shop. At first my husband didn't approve, he got upset. But I opened it anyway and I have been managing it for two years now.'

'I'm unemployed and my husband works at a furniture factory. Since I have to take care of my child, I cannot get a paid job. The year I got married, I worked in a bridal store and did a sewing course at the Public Education School. Two years ago I bought a sewing machine and I sewed and sold children's sheets. When I couldn't pay the instalments on the machine any more I had to give it back. More recently, we had our own furniture making facilities but it didn't work out and we are still paying our loans back. When I heard about the microcredit scheme from a friend, it sounded appealing.'

In the new, generally poor and unplanned communities where the women live, there is little difference between the half who rent their housing and the half who own (or live with family members who own) their housing.[7] Home ownership here refers to poorly constructed houses, often built by family members, that lack outside plaster or a proper roof, and that were licensed after the fact – often

when the community gained recognition as being more than a shantytown. Thus, while the monthly sums required for housing may differ among participants, it cannot be said that home owners have a significant asset base. About 40 percent of the participant families had debts from building homes or were paying installments for eventual house purchase.

Virtually all the women applying for microcredit from FSWW gave the need to increase household income as their primary reason for pursuing self-employment and micro enterprise. Persistent inflation and difficult living conditions, push the entire group into trying to find additional sources of income. The poorer women hope to improve their conditions while the relatively better off seek to protect and stabilise their standard of living. Plans for family and personal development, such as paying for children's school expenses and supporting their own continued education, also motivate women to earn money as they see these as investments.

Table 1: Socio-economic status of 90 women who used the microcredit facility.

Socio-economic indicators	Percentage of the women
Age groups:	
24-29	21
30-35	21
36-40	24
41-45	16
46-50	9
50 and above	9
Marital status:	
Married	72
Husband died or left	10
Single	6
Divorced	9
Spouse's occupation:	
Low-paid public servant	7
Labourer	16
Retired	10
Self-employed	31
Unemployed	10
Housing:	
Own the house they live in	44
Property is rented	50
Property belongs to husband's family	2
They own other property	6
Family has debts	39
Women contributing to household income	42
Women with prior work experience	65
Women's education status:	
Left primary school	2
Primary school graduate	51
Left middle school	4
Middle school graduate	24
High school graduate	11
University	1
Illiterate	4

Source: Application forms FSWW

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A proactive response to women's marginalisation: the FSWW microcredit programme

It is in this social and economic context that in 1995 FSWW decided to establish a self–employment project with a microcredit component. As with other FSWW strategies and activities, the programme arose from the concerns expressed by the low income women in the Istanbul communities where it works, and especially from those women participating in the Gecekondu children Project.

Since its first childcare centre in Gungoren in 1987, FSWW has created centres with gathering rooms for community women to use for workshops, support groups and other social activities. Women would often come together to share their personal experiences, urgent concerns and support each other to find solutions to individual and common problems. FSWW listened to women persistently complain about the serious economic problems they faced, and how constant inflation and unstable employment were making it impossible for one income earner to secure an adequate standard of living for the family.

Economic pressures were seldom disassociated from the vulnerability and dependency women felt as they described '*looking at the hand of my husband*'. Given that women always had the role of stretching their scarce resources, they longed to have some independent access and control over personal and household funds. They often described how they were forced to lie to their husbands about household expenses just to set money aside for an emergency or to invest in their children's education. At the same time they also knew the family and neighbourhood gossip and disapproval they would face as women should they publicly undertake economic activities.

They similarly had first hand knowledge that there weren't enough jobs available for women with their education and prior experience, and found that the few openings that did exist didn't allow them to satisfy both household and job responsibilities. Given these constraints, women gained strength from sharing both their coping strategies and their visions for earning money at FSWW gatherings.

In order to cope with these pressures, almost all the women were involved in some type of home based income generating activities such as sewing, knitting, making lace, cleaning etc. If they weren't earning a supplementary income, they were working hard to reduce household expenditures such as sewing and repairing clothes, processing and preserving foods for stocks, recycling household materials, caring for relatives' children, and the like.

Women were keen to participate in educational courses and other training from the Ministry of Education to learn new skills like glass and cloth painting, sewing, or gift making which had potential as income generating activities. In these sessions, the ambitions to start their own businesses surfaced, '*if I had money I'd open a*

shop', 'I'd produce handcrafts at home', 'I'd run a café' and so on.

FSWW drew on their creativity, and their range of needs and experiences, to develop a self-employment project in which individual and collective empowerment and poverty reduction emerged as two joint goals. FSWW felt that microcredit and enabling small enterprises to exist and to survive, is an important tool in diminishing the marginalisation of women in Turkish society. It envisioned a way that supporting entrepreneurial activity would build solidarity among women, increase men's appreciation of their contribution, and expand their public identities beyond wife and mother. The UNDP recognised this broader objective in FSWW's work when it noted:

... some national NGOs have taken initiatives to integrate women in the development related decision making processes at pilot level implementations. In these pilot implementations, women have not been treated as beneficiaries, but rather as subjects of change. Their agency in the development process has been recognised. Such approaches were underlined as having maximum positive impacts on improving the lives of women.

(Ibid.)

Project services provided by FSWW

Financial services: microcredit

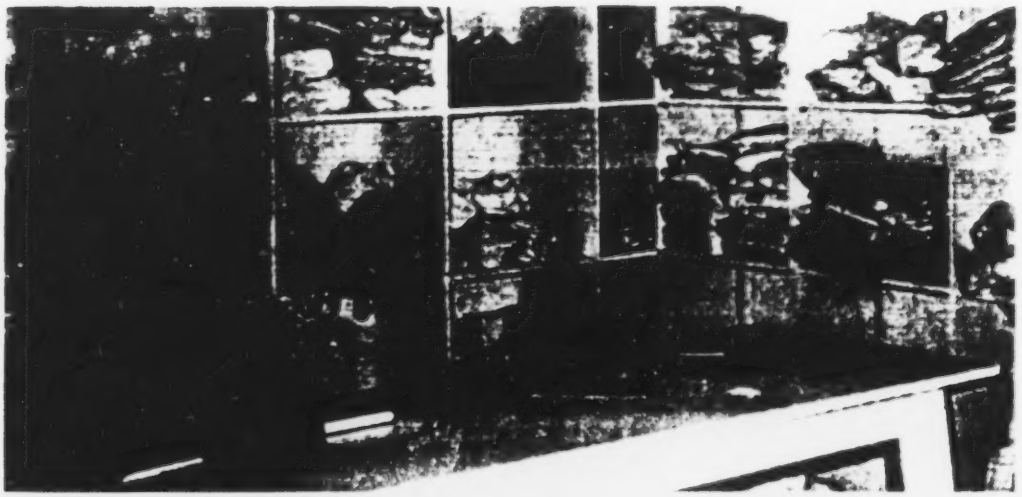
By the end of the Project in May 1998, FSWW had used its credit fund of USD 10,000 and awarded 91 loans to 90 women (one of whom received credit for the second time). Four of the 90 women returned their loans immediately after receiving them, and the rest have continued to use them for income generating activities.

Although in principle FSWW aims to grant credit at real cost, a subsidised market interest rate was applied during the pilot project in order to see the potential overall picture of microcredit in Turkey. It was feared that the high inflation rate in the country could make women reluctant to take credit. Thus the credit amount per person was TRL 50 million (on average USD 200 in May 1998) with an annual interest rate of 40 percent. Repayments were planned on an individual basis in three, six, nine or 12 months depending on the return of the business. No collateral was required but for group applications members of the group were asked to stand as each others' guarantors, while for individual applicants a guarantor with a regular income was required.

The process of applying for credit started with applicants filling in the application forms of 'Personal Information' and 'Business Proposal'. The field coordinators assessed the applications and where necessary worked together with the applicants to improve their business plan.

Training/and support services

Approximately 150 women received training in developing a business plan and 90 women actually received credit. After this initial training, further training and information were provided during the regular monthly meetings on issues such as bookkeeping, marketing, costing,



management. This was also an arena for participants to share their experiences and to hear resource people on a range of topics.

The women who received credit were monitored closely through the monthly meetings, and they filled in monthly progress reports together with the field coordinators. Field coordinators and the other borrowers provided support to help participants solve their problems during these monthly meetings or scheduled additional meetings when needed.

The Project team also provided information to the participants on where and how to sell their products, and where to buy the materials and goods that they use in their production cheaply. Hence, Project team members frequently visited the suppliers, business owners, and factories in the Project sites.

Another aspect of the training programme was the skills courses women attended to learn sewing, puppet making, and glass and cloth painting, offered at FSWW's studios and childcare centres.

Marketing facilities

In order to support the women in improving and marketing their products, FSWW introduced them to various resource people. In addition, it brokered stalls in open neighbourhood markets in two districts in order to provide sustainable market outlets. Initially, 20 women were able to use this opportunity.

Other social support services

The participants were offered access to the childcare and education services provided by FSWW. Difficulties in bringing and picking up their children due to their long working hours, however, prevented more than seven women from using these facilities.

Photo: A haberdashery shop opened with credit from FSWW

The entrepreneurial activities women chose

Table 2 shows the range of businesses that women wanted credit for, and indicates whether these are new or continuing businesses, and if they were proposed by a group or by an individual.

In the Project, women who apply for microcredit complete a 'business proposal' which describes the kind of business they want to start and the resources and support they needed. Fifty nine of the 90 approved applications proposed businesses in which the women already had experience. Indeed, 33 of these women were continuing existing businesses. In the case of a small group of women, the obstacles proved insurmountable and they had to abandon their initial idea and try a new endeavour. In one case for example, a dispute with the shop owner required a woman to shift from opening a water station to a meatball shop.

The three most common types of enterprises involved:

- selling products from home to home;
- making and selling handcrafts or other small items;
- operating service or retail shops.

A majority of women sought microcredit to sell products from home to home. Sale items

Table 2: Details about activities, group activities, and experience.

Activities	Number of users	Group	New business	Existing business	Still functioning
Home to home	32	3	28	4	25
Production at home *(gifts, weaving, hairbands etc)*	24	1	8	16	20
Haberdashery	14	3	7	7	9
Meatball shop	1	0	1	0	1
Cleaning agents shop	1	0	1	0	0
Tailoring at home	2	1	0	2	1
Tailor shop	4	1	3	1	3
Coiffeur	1	0	1	0	1
Lace shop	1	0	1	0	1
Gift shop	1	0	0	1	1
Open bazaar sale	7	0	5	2	6
Workshop (socks)	2	1	2	0	1
Total	90	10	57	33	69 [2]

2 69 out of a total of 76 businesses (including group enterprises)

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included clothes, undergarments, slippers, towels, and a range of other items in constant demand by women. These could be both easily sold in the neighbourhood and procured cheaply from a wholesaler. Outgoing, sociable women at ease in bargaining, showing and selling their goods do the best. Most of the women tried it for the first time and assumed it would be more profitable than other activities they've tried. S.O. a wife and mother of two children, and a high school graduate who lives in Pendik, illustrates the logic used by many in this group:

'I bought women's dresses for TRL 50 million at the beginning and sold out in two days. With the money I earned, I renewed my stock at TRL 50 million and still had a TRL 15 million profit left. Selling three times a month gave me a TRL 80 million profit. In the five months I've had the business, I've earned about TRL 200-250 million. Buying from a wholesaler, I re-sell at a mark up of between 50 and 80 percent.'

Handcraft based businesses were the second most common microcredit endeavour. Lace making, sewing, and making wedding candies, gifts, and buckles were among the things that women produced for sale. In this field, two thirds of all participants had prior experience and the credit enabled them to secure stable working capital, purchase new equipment, and redirect production to products with greater demand.

Shop keeping was the third most common credit request, involving about one tenth of the whole group. Some were first time shop keepers while others were enlarging existing shops. Shops varied from those that provide services – such as tailoring, hairdressing, or cooking – to others that retailed gifts, cleaning agents etc. Microcredit often helps women move service work from their home to the public domain, tailoring is one example, or helps women gain independence from a family enterprise.

Selling in open markets or bazaars was the fourth most common business activity. Products and procurement sources are similar to those sold home to home. FSWW negotiated

Photo: The proceeds from this newly opened shop selling cleaning agents will help support the family

with the Istanbul Chamber of the Open Bazaars in order to help women obtain stalls, and was able to obtain temporary facilities in Yesilköy and Bakırköy.

In Table 3 (p. 17), information is provided on how microcredits are spent on the basis of interviews with 27 women. Virtually all of them depended upon the microcredit for their initial start up, and/or their only capital with which to buy wholesale goods. Half of this group sold home to home. Only a few of these participants pursuing other endeavours used the credit to buy equipment or to maintain their shops.

Women consistently leveraged their microcredits in creative ways, maximising their connections to family and friends, and accessing a range of opportunities. In this way, some women were able to borrow money, while others matched their microcredit with their existing savings. However, given their poverty, the majority of participants had only their microcredit funds to cover business expenses.

Evaluation outcomes: clear benefits and barriers

Analysing the benefits of microcredit: economic and social benchmarks in the improvement of women's situations

Table 3 (page 17) summarises the significant level of economic activity women were able to generate relative to the level of their initial household incomes. According to the results of participant interviews, women set realistic goals and generally achieved them. Since increasing their incomes was a common goal, it can be concluded that all participants did manage to supplement their household incomes through entrepreneurial activities and microcredit.

As can be seen from Table 3, most women are generating monthly revenues that are equal to or in excess of the household's total monthly income prior to their undertaking entrepreneurial activities. Although the revenue figure, because of costs and repayment, is not the income women take home, it nevertheless indicates that they have been able to generate funds that impressively match the economic activity of husbands, and in some cases combined household members. Monthly revenues are also a significant share of the initial capital investment in the business, generally ranging from an average of 40 percent to as high as 700 percent in highly lucrative activities.

In participant interviews, women indicated that their monthly revenues were sufficient for them to replace inventory or production inputs, service their debts, cover shop rental, contribute to household income and in a few cases, set aside savings. One woman running a newly opened accessories shop with a capital of TRL 1 billion (including the credit) had accumulated a stock worth half a billion and monthly profits of TRL 80 million, within a period of eight months. Another woman was able to sell her business at a profit of TRL 500 million, 10 times the initial loan, after only five months. She had decided that it wouldn't be beneficial for her and her children to continue the business, and she started to focus on alternative businesses to invest in. This illustrates how much her entrepreneurship and independence had developed. When a range of objective indicators were evaluated, it showed that women who started or expanded a business with FSWW microcredit and programme support, grew stronger economically.

The loan repayment rate is exceptionally high, in excess of 95 percent, and this confirms that the women are generating a sufficient income to cover business costs and have a surplus. The repayment rate is such that 11 of the 90 women who took credit completed their loan repayments within a very short space of time, and 76 are continuing to make payments (four women returned their loans at the beginning, and one women took credit for the second time). No woman has defaulted, indeed 88 percent of all credit recipients are paying back regularly, with no late payments. This, and other evidence, indicates that women are highly motivated.

Women's high motivation and sustained efforts are the obvious reasons that 90 percent of the microcredit supported business is continuing (69 of 76).

Women saw microcredit as a functional tool for seeding new opportunities and managed to use it to change their conditions and leverage resources. Participants described the benefits in this way:

'When I took the credit we had no workshop. I was sewing socks at home, and we had not been doing that properly for more than one year since my husband had an alcohol problem. I applied for the credit, borrowed an additional TRL 75 million and an overlock machine from my sister-in-law, rented the basement here and opened a sewing workshop. My husband went and bought raw unsewed socks from the factories for TRL 2 million per kilo. I do work hard, but thank God I do not have debts at the grocery store any more. I have paid most of my debts and now I am paying the credit installments. My aim right now is to clear all the debts and feed ourselves. I put aside the money I earn from the neighbours when they come and buy socks. My husband doesn't know about this. I might consider employing labourers in the future.'

(Y.S. from Esenyurt)

'At the beginning everybody here said that my business would close down, that I would not manage. The TRL 50 million credit seemed a small amount, but I went and bought perfume with it. It was right before the festival and I sold all of it and made a profit. I kept going from there. I now have much more self-confidence. I am doing my own job. And I don't have to ask my husband for money – now HE asks ME.'

(N.Ç. from Esenyurt)

Table 3: Monthly revenues microentrepreneurs generate compared to their initial investment and initial monthly household income

Range of earnings (TRL million)	No. of women with initial monthly household incomes in the range	No. of women generating monthly revenues in this range	Initial investment	Participant's use of revenue
10 - 50	12	16	12	Inventory
51 - 100	13	3	3	replacement
101 - 150	2	5	3	Debt service
151 - 300	0	3	3	Shop rental
301 - 1,000	0	0	4	Household income
Unknown	0	0	2	Savings
Total	**27**	**27**	**27**	

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S.A. of Bakırköy, widowed suddenly, described how she went from making accessories at home to having a shop:

'At the beginning I was very scared. I am not such a courageous person, but there was no other choice but to try. I went to the Carousel (a shopping mall) with my friends and talked to the management. They allowed us to sell in the court with a cart. I started to sell my accessories there ... Later, microcredit helped me open, close and re-locate my shop. When I work, I feel tied to life.'

N.G. from Maltepe:

'My husband is a plumber. His shop has been closed for six months, and he now works at home. He has work in the summer but not in the winter. When he works 20 days in a month he earns TRL 250 million, but sometimes he earns nothing. We have two sons and pay rent on the house. I have finished a night course at the art school and was trying to produce and sell handcrafts. When I heard about this project, I immediately applied for a loan. I bought supplies with the credit and produced and sold gift items. In the last Mothers' Day period, I made TRL 50-60 million daily. In the times when my husband has limited job opportunities, I can take care of the house. Now I want to expand my business, use my skills and contribute to the household expenses.'

After her husband became unemployed E.D., an elementary school graduate with two children, decided to take microcredit and open a small accessories shop with her older sister. They ignored the objections of their relatives, rented a basement and opened a shop with TRL 200 million in loans (one half from microcredit, the other from private sources). Soon the shop yielded E.D. enough for the household's expenses, including pocket money for her husband. E.D. claims she won't give it up as long as she brings earnings home.

In addition to generating funds, all of the programme participants interviewed stated that their business skills had been strengthened tremendously by this experience. Among the knowledge they feel they had acquired was:

- an understanding of how to evaluate what items to market;
- an ability to identify good wholesalers, and estimate and bargain for a good procurement rate so that a profit is realised;
- how to manage funds to ensure reinvestment, profit and loan repayment;
- how to increase efficiency, and improve administration and management skills;
- how to enhance sales and develop marketing and production skills.

As importantly, microcredit helped women gain strength not only economically, but socially. All of the women interviewed described non-economic benefits such as increased self-esteem, the acquisition of leadership skills, independence, courage, experience, respect. The

business they do through credit as one borrower mentioned, created a sense of having 'stronger ties with life'; it created self-confidence and a sense among the women that they have more control over their own destiny. Although family poverty might persist, women experience relief and some breathing room, when they no longer owe money to the grocery store or can imagine how they would cope financially if their husbands left. Often, new dreams start to seem within reach and women begin investing in new activities to increase their skills and education. In turn, isolation and depression are replaced with social contacts and optimism.

When women sign for a loan they take on significant, public responsibilities. Their businesses take them from the home to the public arena. Many women attain a degree of social mobility that previously would have seemed impossible as they move beyond their family circle and neighbourhood to negotiate with strangers and travel to many communities.

Husbands who are indifferent or hostile at the beginning, start withdrawing their objections and in some cases actually start supporting their wives' activities. The women's experience of providing additional income strengthens their self-confidence and helps them to negotiate a more powerful role within the family. As their contribution becomes translated into a monetary value and hence more visible and official, they can challenge their husbands' dominance in decision making with the knowledge that they can support themselves.

The barriers and constraints to microcredit and micro-enterprise: strengthening women's economic status in the long term

A variety of evidence indicates that the biggest problem FSWW microcredit recipients face is the constant pressure to generate a surplus which demands large inputs of time, hard work, and sometimes decreased consumption in order to offset the scarce capital and intense business competition. For example, women who sell home to home or in open bazaars described how they often must procure and carry their goods themselves, spending hours of time on limited public transportation in order to cope with the lack of help and storage facilities. One woman described how she has to move from one open market to the other every day to sell T-shirts; and when it rains, because she doesn't have a tent, she must bring everything

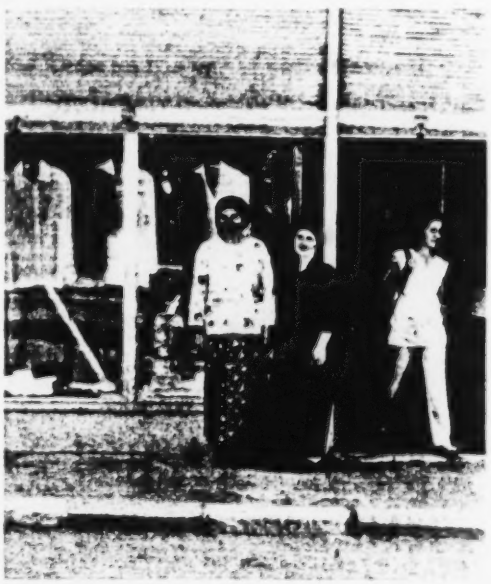

Photo: Some women opened shops with family members or friends

home to dry and iron, only to carry it back to the market. Even those who have worked out support and expanded their business, face challenges at every corner:

'I have to be at the open market every day of the week. However, as I don't have a car and since I cannot carry my goods around every day, I made an agreement with a stand owner like me who owns a car. I pay him TRL 5 million per week and I am then entitled to go whenever he goes. I pay the rent for two stands: one is TRL 8 million per month and the other is TRL 12 million. I go to Merter to purchase goods and spend a lot on the journey. When I come home, there may be bad surprises. As it is I don't know what I will do without a tent in the winter when it snows or rains. I will have to have a tent made, but this costs TRL 30 million.'

Long hours extend into the evening as women travel great distances to market their goods or keep their shops open late to increase sales. One retailer said that she often sustains her business and household work by reducing her sleep to four hours a day and working continuously the other 16. Another says:

'I work alone and can only give my full energy to it after the children are asleep. I am in the workshop until late at night. It's time consuming and very tiring work. We bring the socks here in sacks and then we turn them inside out, sew the ends and send them for dying. We bring the dyed socks back to the workshop, iron and sort them out by patterns and sizes, pairing them so that they are ready to be sold after the brands are added. If we sell all the socks, we can make a profit of TRL 7.5 million, three times our inventory costs. Now my problem is to heat this place in winter.'

Craft producers and small manufacturers reported that machinery and new supplies were needed, but that their reserves were insufficient to obtain them. The pressures of poverty; the uncertainty of other family earnings; and the inputs required for the business squeeze not only women's time and energy but their cash as well. One woman described the situation with her husband at home:

'We had an argument over money the other day, and he told me he provides TRL 25-30 million for the household expenses. I told him to maintain the house then, but I won't give him money from my shop. Now he can't manage again and I have to take over the household expenses. When I have to spend my money on the household, the business is not stabilised.'

As earlier tables indicated, women are resolute about ensuring that revenues are reinvested in stock or cover core operating costs. But many face times when they can't afford to replace their stock and materials, pay their loan, and generate a large enough profit to meet household needs all at the same time. To date about 10 percent of all participants have been late in their loan repayments (anywhere from two to eight weeks). Generally, late repayment is because the women invest in replenishing their

stocks to keep sales flowing, rather than actually defaulting on payment. One late payer for example, has a husband who does not have regular work and thus sometimes the shop is their only source of income. When he is unemployed, she prefers to buy goods to hold the business and defer repayments to more stable times. Even when they are late in their repayments, the women have shown tremendous responsibility and these lapses indicate that many are under constant pressure to juggle multiple, often competing, responsibilities and at any point, any one of them might give.

Often, capital is too scarce to give the businesses the level of reinvestment that they need to take off. For example, home to home marketing depends on the size of a woman's social circle, the frequency of contact with her 'clients' and her ability to avoid saturating her own market by varying her range of products. Supplementary funds enable women to experiment with new products, to expand outreach by travel and phone etc. Without these, women are forced to try to optimise on limited or stagnating situations. If seasonal fluctuations are added to these, additional capital is needed.

'I have one child and my husband hasn't been working for the past few months. So I started to work at decorating wedding candies, which I've done before. My monthly turnover is TRL 50 million on average. My profit is TRL 25 million and I keep the house going with that. There are times in the winter that I don't earn much. If I would receive orders constantly, I could earn TRL 150 million a month and then I would not be so pressured. For that though, you need extensive business connections. I have spoken with 20 shops, left samples and now have connections with three or four shops. It is not enough though. Shops sell the goods they buy from me at a 100 percent mark up. I could do that myself if I had a shop.'

One important barrier for the future is that none of the businesses were generating a sufficient surplus to cover additional costs such as insurance, building security, storage facilities and taxes. Only one person had faced any of these burdens, while virtually all shop keepers and manufacturers knew that they were on their horizon.

According to the interviews, these constraints have meant that only 20 percent of participants said they were able to set aside any earnings for savings. Of those who were able to save: one met personal needs; one bought a carpet cleaning machine; another undertook a home construction project; one gave a loan; and one was saving to open a shop.

Conclusion

Some of the issues that women face

The interviews show that there are persistent barriers to women generating sufficient capital to ensure that reinvestment, expansion and personal income needs can be sustained in the long term. This finding has led FSWW to re-examine its practice of limiting credit to small sums of up to TRL 5 million: this amount may be too small to provide meaningful support to women's efforts to sustain their activities, and might actually be steering them towards taking on more vulnerable enterprises. For these reasons, FSWW plans to provide higher levels of credit support in the future.

In examining the barriers or constraints to women's success in using microcredit for micro enterprise, it is important to note that personal and household factors also will greatly affect the outcome. Over time, women may be unable to sustain stretching themselves between business and household responsibilities and may drop the business to concentrate on their children's welfare and household responsibilities. Household or other emergencies can also create situations where the business and/or the women's health are at risk. Robbery, abandonment, the sudden illness of a child, or a family member's job loss can immediately wipe out any surplus generated by a woman's business or else make it impossible to honour some obligations (such as debt repayment or stock replacement). In these ways, the realities faced by a poor household can still outweigh the resources available with micro enterprise, and thus can instantly eliminate the limited gains won.

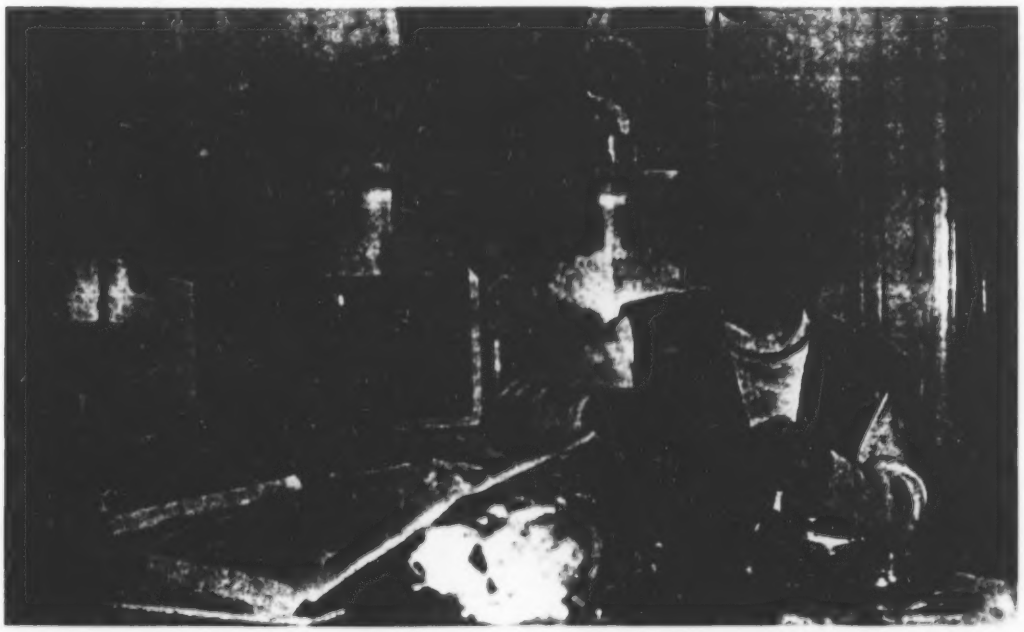

Photo: Making clothes and hand made goods are a popular activity

Given the constant pressures, counselling and peer support become key aspects of a successful microcredit programme. Women can receive help to find alternatives and solutions to household issues and the maintenance of businesses.

Nevertheless, as all the participants' quotes demonstrate, women using microcredit make a great effort in using their revenues to make their businesses and homes succeed. They take every measure to maintain control over their money, and this points to the likelihood that they can reach their goals in the long run.

Despite all the obstacles, the women are refusing to retreat back into the house. They have become committed to working to avoid isolation, to gain self-esteem, autonomy, provide family income and to acquire skills for a more secure future. The challenge for FSWW is to make sure that it provides the additional, appropriate support, information and contacts that will match their individual and collective resolve and increase the efficiency of and returns to their investment.

Outcomes for FSWW

It can safely be claimed that FSWW has achieved significant success with respect to attaining its stated goals. The number of participants receiving credit were almost twice the Project's aim (91 vs. 47). The women that started or expanded their business through microcredit have generated five times their starting capital as a result of their own creativity, skills, and entrepreneurship. FSWW regularly organised a range of programme support services to meet their various needs Information exchanges with the women on where to buy which goods, which factories to contact, which strategies to use on which markets under what conditions, how to become a tax payer, and ways of maintaining their businesses, were particularly important. This information has been openly available to all current and prospective participants.

The programme has proved that poor women can start their own business, generate capital, and make a profit in a society that has little knowledge of, or confidence in, such efforts. Microcredit is still in its infancy here, and the necessary legislation and mechanisms to make the process easier have yet to be implemented as few leaders and institutions have come forward to champion this approach.

For this and other reasons, FSWW has made a strong effort to reach a wide array of partners so that microcredit approaches would be better understood and more broadly supported. It has coordinated with: municipalities and other local authorities; corporations; universities; national government departments; other NGOs; local associations; school managers and an array of respected individuals from targeted neighbourhoods. FSWW has brokered local resources, and has accumulated and shared a significant amount of information regarding appropriate ways to provide credit to low income women in conjunction with support services, to generate lasting positive outcomes. Communication and collaboration with the

media has led to coverage informing poor women of how they could pledge their talents and assets, and become empowered without relying on charity. Donor agencies placed microcredit on their agenda and those who already included it began to work harder on it, together with governmental agencies, private and public banks. A range of fora explored ways to increase resources for this effort. At the micro level, a Management Information System was developed to establish programme infrastructure to track credit use, repayment performance, expand outreach, and to analyse and evaluate the impact of microcredit support on poor women.

What has been learned?

When FSWW staff members were asked to evaluate the microcredit experience for the organisation they grouped their conclusions as follows.

- Face to face dialogues and establishing mutual trust are the most important tools to involve and motivate large numbers of participants and achieve high repayment rates.
- Microcredit has to be combined with other support services such as training, childcare and information dissemination if it is to sustain results. These services must be local, flexibly provided and responsive to women's multiple and increasing business and family responsibilities.
- Formal classroom training was neither appealing nor helpful to participants.
- Women benefit most from exchanging their practical experiences and reflecting on them. Thus, every effort should be made to promote participant interaction and exchange to ensure timely problem solving and to sustain motivation.
- Cooperating with other institutions, especially with municipalities, creates access and resources that save time and money, and forms allies who work for programme success.
- Women are generally reluctant to form group businesses. Thus programmes should not impose this option but rather encourage other areas of collective cooperation, for example in marketing, buying, or borrowing. In addition, group enterprise is likely to require additional financial staff and resources.
- Credit priority should be given to motivated women who are eager to experiment in business. This in turn creates role models who can inspire others to find their own vision.
- Serious attention needs to be given to a recording and documentation system. Reliable reports and information showing the impact of microcredit are continuously needed to attract partners and leverage resources, and to convince others.
- To maximise the economic resources generated by the women after the initial

setting up of their businesses, the formation of collective purchasing and marketing networks become critical next steps.

- Micro enterprise and microcredit increase grassroots women's social space and mobility, and legitimise their public participation. This provides a crucial counterbalance to political efforts seeking to confine women to the home and the role of mothering.

What FSWW can offer others in the field

Throughout its two years of experience in assisting micro entrepreneurs, FSWW has developed models and tools for the efficient and effective delivery of microcredit and crucial support services to low-income women. FSWW is confident that it now has:

- access to successful micro entrepreneurs who can meet and inspire other women with their experiences and lessons learned;
- developed an approach to networking among the Project participants which can be replicated by other institutions;
- developed training manuals and training sessions suitable to the needs of women entrepreneurs that can be adapted by other institutions working in the field;
- designed comprehensive but simple application forms that enable the Project team to gather necessary socio-economic, credit and business related data; and designed a computerised Management Information System tailored to the needs of a microcredit institution;
- experienced staff members (especially field coordinators) who can train others and have the experience and ideas to address the challenges;
- developed a proactive advocacy approach with a vision and process for meeting the challenges of microcredit in Turkey by

Photo: Many women found that working had an important social element

facilitating partnerships across key sectors – government, business, media, NGOs – that are based on mutual respect and clear, working agreements;

- access to international networks that have information, practical experience and institutional connections to support groups interested in this kind of work; and connections with practitioners in other countries.

The future direction of FSWW in the field of microcredit

The cumulative experience of FSWW has led it to focus upon the following future directions in its programmatic and advocacy approach.

1. **Increasing the economic resources available for microcredit through three mechanisms:**

- establishing NGO initiated revolving micro-enterprise funds for women that involve multi-sectoral representatives in their management and administration;

- securing commitments from private banks to place microcredit initiatives in their portfolios and to work with relevant NGOs to deliver these funds to eligible women;

- lobbying the government to earmark funds for microcredit initiatives by NGOs as part of its anti-poverty approach.

2. **Shifting the public perception of poor women from focusing upon their deficits to supporting their strengths.**

This requires a partnership among governmental agencies, the private sector and NGOs. As has happened in FSWW, this partnership will also improve the organisational capacities of the NGOs and their share in the decision making process in regard to building up new directions in society. Meanwhile, the government and private sector's attitudes towards the poor will be changed through this interaction. Care will be taken to illustrate the importance of microcredit programmes in building upon women's life experiences, promoting their individual and collective self-determination, and seeding forms of entrepreneurship that strengthen the development of low income communities. Hence charitable and social work that focus upon the delivery of aid or services to the poor will be challenged to shift their resources and assumptions to recognise and support the economic capacity and market potential of poor women and neighbourhoods.

3. **Creating a women centred economics and business support centre.**

The goal of the centre will be to provide women with information and contacts that strengthen their access to markets and economic growth opportunities, and address their isolation and vulnerability as small entrepreneurs. Women will have access to information including macro economic trends affecting small businesses; local, regional and national shifts in market

demand; marketing of product opportunities; and detailed information on all dimensions involved in business development. In addition, the centre will collect contacts and help women link to sectoral opportunities that arise at the supply, manufacturing, retailing and marketing ends so that they can take advantage of economic developments that are occurring across their communities.

4. **Removing barriers and creating incentives and advocacy support to reduce women's multiple burdens.**

This will include advocating for legal and other administrative arrangements that will:

- enable NGOs to extend small loans;
- use tax incentives to encourage small businesses;
- recognise the informal sector and its contributions;
- enable women to create their own informal service provisions for example, childcare support systems, and networking.

Appendices

Appendix I. Activities and landmarks of the Self employment for Geçekondu women Project

November 1995 to October 1996

- A coordinating committee of five members was established to carry out the planning activities and to get outside support for the Project.
- The team was formed consisting of three field coordinators, an accountant, an evaluator and an expert to work on the credit component.
- In order to start the planning process, a meeting was held with participants from municipalities, private and public banks, public and private business organisations, NGOs and academics in which the Project was introduced and their possible roles in the planning process were discussed.
- In March, a two day planning meeting was held with the participation of the Istanbul Chamber of Commerce and Industry, the Confederation of Turkish Craftsmen and Tradesmen, the Small and Medium Industry Development Organisation, trade unions, universities, civil society organisations, municipalities, public banks, tax administration, municipalities, elected local leaders and community women; and an action plan was prepared for the additional information gathering and for the planning meeting.
- Special meetings were held with the private sector, governmental agencies, municipalities and former mayors; and three sectors were analysed in order to obtain information about the possible business potential in each Project area.
- Focus groups were held with women in the Project areas in order to learn about the credit sources they used, and their repayment patterns, their saving and spending patterns, the resources that they can use as collateral, the attitudes of their communities toward self-employment of women etc.
- Information was gathered about the female clients of the small loans given by the public banks; self-employment and microcredit experiences in other countries; and NGOs and international organisations/networks.
- In September 1996, a two day workshop was held with the same participants of the planning meeting in March in order to analyse the information gathered. Based on the outcomes of this meeting, the attributes of the credit component and the possible business areas were identified.
- In four Project areas, large meetings with women were organised in cooperation with various organisations and municipalities in order to introduce the Project and to start the business groups.
- The selection criteria was defined.

- A draft training programme for women was developed.

- During the United Nations Conference on Human Settlements (UNCHS), Habitat II, in Istanbul in June 1996, FSWW organised an international workshop on microcredit.

- In December 1996, a member of FSWW living in the USA, participated in the Microcredit Summit in Washington DC.

During the first year FSWW, being the first NGO in Turkey to launch a microcredit scheme, had gone through a long period of preparation and planning in order to build up the infrastructure on which the future Project activities would be based.

FSWW expended a great deal of effort in organising meetings between different agencies, organisations and businesses to discuss the role of microcredit in the eradication of poverty and the empowerment of women. Two such meetings have been held in Istanbul where representatives from the Istanbul Chambers of Commerce and Industry, the Confederation of Turkish Craftsmen and Tradesmen, the Small and Medium Industry Development Organisation, trade unions, universities, civil society organisations, municipalities and businesses participated. These meetings were very useful to disseminate more information on the microcredit facility and to exchange views on its operational apexes.

November 1996 to May 1997

- Meetings and training activities continued in order to support women in using credit and developing business ideas and plans. Training sessions were held addressing topics such as marketing, accounting and running a small business.

- From January 1997 onwards, FSWW started disbursing microcredits to women who started small businesses in Project areas.

- In order to support its work in microcredit activities, the World Bank financed the publishing of a research report entitled *Supporting women-owned businesses in Turkey.*

- Documenting and photographing started to be used in preparing a manual.

- The working principles of the Project were reviewed, and the policies and principles of granting loans was finalised.

June 1997 to May 1998

- During this period, the Project area was enlarged to include Bakırkoy and Maltepe along with Esenyurt, Küçükçekmece, Kocasinan, Güngören and Pendik; while the number of partner organisations was increased in order to reach more women.

- Two community women joined the team as paraprofessional field organisers.

- Middle to low income women with better education and income levels than those in absolute poverty also became eligible for microcredit since it was felt that they have clearer business ideas and are more motivated to start their own businesses.

- The Self employment for Gecekondu women Project became well connected to the other existing activities of the Foundation, and meetings were organised with women who benefit from the Gecekondu children Project through the childcare centres, the women's rooms, the natural food centre, the handcrafts centre, the toy making and sewing courses. The number of applicants increased as a result of these meetings.

- Meetings continued to be organised with the private sector in order to identify the services and goods they demand in order to provide women with more information about the market.

- Stalls in the neighbourhood markets were acquired in order to increase marketing facilities for the women.

- The previous year's draft training programme was improved with the inclusion of new issues demanded by the women.

- Training activities and exchange of information and experience between the participants continued through monthly meetings and during credit disbursement and collection.

- More than 200 women applied for credit, and in May the number of women who obtained credit had reached 90.

- Documents continued to be collected, and the outline of *The handbook for women microentrepreneurs* was finalised. A proposal was submitted to UNDP for funds for publication.

- The media's interest in the Project and in FSWW has continued, with the benefit of creating public awareness on self-employment and microcredit. The Project has appeared many times on public and private TV and radio channels, and in magazines which has resulted in an increase in applications for credit inside and outside Istanbul.

- Meetings were held with governmental agencies and projects in order to increase the credit fund of the Project and the possibility of implementing the Project outside Istanbul.

- For the continuation of the Project a search for funds started, and new project proposals based on the experiences of the pilot project, were submitted to the EU and UNDP. As a result, FSWW was among four NGOs selected to implement the UNDP's Micro-Start Programme in Turkey.

- With the mediation of the minister responsible for women's issues, a suggestion was developed that a microcredit fund be created under the control of the Halk Bank to be distributed by NGOs like FSWW. FSWW had collaborated with the Turkish Development Foundation, the other nominee to implement a micro start programme in rural areas, in order to accelerate UNDP's Micro Start Programme; and had cooperated with the ministries responsible for the public banks in the creation of a microcredit fund.

- Meetings were also held with private banks, and FSWW held discussions with a businesswoman who owns a bank in Cyprus, to discuss the terms of a cooperation in which she will provide the credit fund.

- A Management Information System was developed in order to establish the necessary infrastructure for a wider coverage of the Project; to be able to track credit use and repayment performance; and to carry out analytical and evaluation work on the impact of microcrediting for poor women.

- Participants started to create and strengthen a communication network among themselves, sharing their experiences and establishing ways to find solutions to the common problems they face in their businesses.

- International networking and training activities continued through participating in the microcredit meeting in Milton Keynes, England; UNCHs' poverty conference in Florence; in the Adults Education and in the 'Contribution of women to the development of the urban informal sector training programmes in Israel, organized by MASHAW/Ministry of Foreign Affairs of Israel.

Photo: This planning meeting in January 1998 is typical of the importance that FSWW places on regularly meeting with the women.

Appendix II. Tables

Annexed Table A: Distribution of microcredits according to household income (million TRL)

District	Below 50	50-100	100 and more	Unknown	Total
Esenyurt	12	7	3	1	23
Kocasinan	-	-	1	-	1
B. Evler	1	6	2	1	10
Bakırköy	3	4	5	-	12
K. Çekmece	1	-	-	-	1
Pendik	4	11	4	-	19
Maltepe	4	7	8	-	19
Kartal	1	2	2	-	5
Total	**26**	**37**	**25**	**2**	**90**

Source: Application forms FSWW

Annexed Table B: Sources of household income with monthly income of TRL 100 million or more

Source of income:	No. of women
Spouse is self-employed	8
Spouse is public servant	2
Spouse is worker	3
Spouse is retired	4
Single, unmarried or divorced	8
Those who work in the family:	
Only woman	3
Only spouse	6
Spouse and the woman	4
Woman and children	3
Spouse and children	5
Spouse, woman and children	1
Woman is single and is supported by parents	3

Source: Application forms FSWW

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About the Foundation

The mission of the Bernard van Leer Foundation is to enhance opportunities for children 0-7 years, growing up in circumstances of social and economic disadvantage. The objective is to develop children's innate potential to the greatest extent possible. We concentrate on children 0-7 years because research findings have demonstrated that interventions in the early years of childhood are most effective in yielding lasting benefits to children and society.

We accomplish our mission through two interconnected strategies:

- a grant-making programme in 40 countries aimed at developing contextually appropriate approaches to early childhood care and development; and
- the sharing of knowledge and know-how in the domain of early childhood development that primarily draws on the experiences generated by the projects that the Foundation supports, with the aim of informing and influencing policy and practice.

The Bernard van Leer Foundation is a private foundation created in 1949 that is based in the Netherlands and operates internationally. The Foundation's income is derived from the bequest of Bernard van Leer, a Dutch industrialist and philanthropist who, in 1919, founded an industrial and consumer packaging company that was to become in later years the Royal Packaging Industries Van Leer, currently Huhtamaki Van Leer, a limited company operating in 55 countries worldwide.

Information on the series

Working Papers in Early Childhood Development form a series of background documents drawn from field experience that presents relevant findings and reflections on 'work in progress'. The series therefore acts primarily as a forum for the exchange of ideas.

The papers arise directly out of field work, evaluations and training experiences. Some of these are from the world wide programme supported by the Bernard van Leer Foundation. All the papers are aimed at addressing issues relating to the field of early childhood care and development.

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The Foundation solicits contributions to this series. They should be drawn from field experience and be a maximum of 15,000 words. Contributions can be addressed to Joanna Bouma, Department of Programme Documentation and Communication at the address given above.